

ASPIRE ACT / KIDS Accounts

Changes Made to Both The House and The Senate Bills From Last Year's Version

- Treat All KIDS Accounts According to Roth IRAs Rules at 18.

When account holders reach the age of 18, their KIDS Accounts will be treated as Roth IRAs. All of the Roth IRA rules will apply. With this approach, the bill will be amended so there are no provisions for privately-managed KIDS Accounts. Contribution rules would be those that apply to Roth IRAs. Accountholders could keep these accounts in the public KIDS Account Fund or roll them out to private Roth providers or State-run 529 Plans.

- Allow Contributions Post-18.

Since KIDS Accounts will be governed by Roth IRA rules, Roth IRA contribution limits will apply.

- Require a Minimum Balance

To maintain the account as a savings platform for retirement security and life-long asset building, the bill will be amended to require a minimum balance in the KIDS Accounts held by the KIDS Account Fund at all times until retirement age. The minimum balance is equal to the automatic contribution, initially \$500. Rollouts to other accounts would be permitted for balances above the minimum.